

# NO BUSINESS AS USUAL

## LESSONS LEARNED DURING THE COVID-PANDEMIC

Every person and every business has been impacted by the COVID-pandemic in one way or another. Humans and (most) businesses are surprisingly resilient and adapt to challenging environments relatively quickly. Flexibility and new approaches are required to overcome obstacles and deal with new situations.

This unprecedented global pandemic has taught all of us many lessons, some rather painful. The question is whether some of these lessons have a long-term impact on how we interact and conduct business, or whether it's a short-lived experience. In general, I believe it's fair to assume that we won't go back to the 'old' normal but rather develop a 'new', hopefully better and advanced normal.

From a security and risk management perspective there are a few aspects to take a closer look at.

### **#1 The need for reliable business partners in a global economy**

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If nothing else, the pandemic has taught us how much we all depend on each other, both in private and in business. The vast majority of businesses today are international in scope. Businesses rely on overseas partners in practically all aspects of corporate activities, i.e. production, supply chain, logistics, sales and distribution etc.

During the pandemic these international business relationships have been put to the test. Can you rely on your business partner? Do you really know enough about who you are dealing with?

Many companies found out the hard way that their decisions related to foreign business relationships was based on insufficient information and lacked the depth to make a detailed risk assessment. The need a concise third-party management policy and for in-depth due diligence on potential or existing business relationships has never been more apparent than today.

## #2 It's not just financial risks

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Experience shows that corporate decision-makers have a tendency to focus on legal and financial risks. This is what they've been trained to do. However, taking a more holistic approach to risk integrates other non-financial risk factors like operational, human and reputational aspects.

There is no one-fits-all solution. Every business is unique and requires a unique and dedicated approach. Trade and travel restrictions vary tremendously from jurisdiction to jurisdiction and change constantly. A high degree of flexibility is needed and will also vary depending on the industry sector.

Besides a holistic all-risk approach and flexibility it has also proven vital to think in alternatives and back-up solutions: reliance on just one source or business partner for a crucial aspect of business operations is never a good idea. Even if not implemented, it's always a good thing to have pre-planned and vetted alternatives.

## #3 Preparedness

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There is this old saying in crisis management: Prepare for the unthinkable. Admittedly, almost no one outside some public health expert circles really saw this crisis coming. And in the very early stages many companies were hesitant to acknowledge the impact the crisis would have on their business operations. But those companies who had at least some sort of pre-planned crisis management in terms of policies, procedures and training were quicker to adapt and mitigate the impact. With an existing crisis management organization and based on other crisis scenarios these companies were able to adapt faster and develop an appropriate response plan.

As a consultant I have heard the statement "this will never happen to us" far too often. I can only hope that this crisis has taught all of us the lesson that no person and no business is immune from bad things happening, no matter how 'unthinkable' it might seem at the time.

## #4 Leadership

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Managing any type of organization has its unique challenges even when everything runs smooth, which is hardly ever the case. But during a crisis like the one we're experiencing now, businesses don't need just good managers, they need good leadership. Providing true leadership to an organization demands experience, a certain skill set and character to deal with the organizational and human aspects during a crisis. And to be really effective it requires trust, a trust that has been built and earned over time.

## #5 Viruses don't know borders – neither does Crime

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It's amazing how fast fraudsters and criminal organizations have adapted to the new situation and exploited it to their advantage. While the pandemic brought a decrease in some organized crime activities, i.e. drug or human smuggling, it presented new criminal opportunities in other areas.

Millions have been defrauded from Governments and the public health sector in almost any country around the world: selling counterfeit masks and PPE at ridiculously overpriced conditions; offering fake vaccines; exploiting Government-funded help programs by using thousands of fake personas; etc.

White collar crime, fraud and corruption, cyber-crime and cyber-extortion aimed at businesses, business email compromise and cargo theft have all seen a significant increase during the COVID-pandemic.

**The COVID-pandemic has exposed many flaws and short-comings in business operations. It remains to be seen to what extent corporate decision-makers will take this as "lessons learned" in the truest meaning of the word and prepare their organizations for the next crisis – because it will come.**